

***Delaware Health Resources Board
First State Surgery Center Review Committee Meeting Minutes
Friday, May 12, 2017 10:00 AM
Edgehill Shopping Center
Division of Public Health Large Training Room
43 S. Dupont Highway
Dover, Delaware 19901***

Review Committee Members Present:

Lynn Fahey, David Hollen and Vincent Lobo Jr. D.O.

Staff Present:

Joanna Suder and Latoya Wright.

Call to Order and Welcome

The meeting of the Health Resources Board (HRB) Review Committee for First State Surgery Center (FSSC) was called to order at 10:02 a.m.

Review of First State Surgery Center's Application

The Review Committee reviewed the application along with the Internal Staff Analysis document.

It was stated that on November 1, 2016, FSSC submitted a Notice of Intent to expand their existing surgery center. The application was received on January 19, 2017 with an estimated capital expenditure of approximately \$1,000,000.00. The public notice was posted on March 28, 2017. If the Review Committee derives at a decision, the application will be voted on at the May 25, 2017 HRB meeting.

Review Considerations

The Review Committee reviewed the following criteria for the proposal to determine whether the application meets or does not meet each criterion.

Criterion I: The relationship of the proposal to the Health Resources Management Plan (HRMP)

The application states the proposal is in alignment with the HRMP to meet the needs of the population, to provide cost effective and/or more effective outpatient surgical alternatives, to integrate with the existing health care delivery system, immediate and long term viability, to positively impact costs and charges and to positively impact the quality of care within the community. FSSC states they are committed to providing to the less fortunate. The Review Committee discussed the complexity of charity care as it relates to the affordable care act. FSSC states they provide their charitable procedures to churches and outreach areas. It was also mentioned that some people are not seeking medical services for the fear of being reported to federal entities due their undocumented status. Also the Committee

discussed the issue with insurance contracts and high deductibles as it relates to charity care and the providers.

There was also a discussion surrounding the option of FSSC donating monetary funds to a charitable organization in which the organization can assist with covering the patient's expenses. It was asked if there are organizations that will provide those services. FSSC stated the public may not seek those types of services from charitable organizations for various reasons.

It was discussed that FSSC maintains training agreements with Arcadia (PA Program), ATI Physical Therapy (PT), Delaware Technical and Community College (Surgical Technology) and the University of Delaware (Nursing and PT Students). The increase in access to the operating room would allow additional students to utilize the surgery center as an educational and training site. Annually FSSC donates outdated equipment and supplies to the various programs at Delaware Technical and Community College. FSSC also provides Volunteer Programs for those that are interested in pursuing a career in nursing or medicine as well as those that require volunteer hours for Service Organizations or college applications. The application notes several of their current employees benefited from this program. Others that utilized the volunteer program have obtained their education in various health related fields.

The Review Committee asked if FSSC accepts Philadelphia College of Osteopathic Medicine (PCOM). FSSC stated they currently do not have an agreement with PCOM, however this may be an option in the future. They currently have an agreement with Westley College to accept PA students.

The application notes FSSC takes pride in their history of providing services and will commit to providing quality care to their patients for many years to come.

The Review Committee agreed the application meets criterion I.

Criterion II: The need of the population for the proposed project

The Review Committee discussed the need for outpatient services, transitioning from hospital settings to outpatient services and the current and future needs of the population. FSSC is already experiencing an increase in outpatient surgical services. It was noted FSSC is currently scheduling out as long as four weeks for pain management procedures. The expansion and re-location of the pain procedures will allow the Pain Management physicians the ability to schedule cases more efficiently and in turn, provide patients with better access and more timely treatment. FSSC is already providing the services and the expansion of the facility is to accommodate their surgical cases.

The Review Committee agreed the application meets criterion II.

Criterion III: The availability of less costly and/or more effective alternatives to the proposal, including alternatives involving the use of resources located outside the state of Delaware.

It was discussed, FSSC believes in the provision of offering quality care that is cost effective. This is an expectation that they strive to achieve on a daily basis. According to FSSC, outpatient surgeries have shown to be cost effective alternatives for the patient, the employer and the insurance companies. Lower overhead and the ability to be efficient, reduces the total cost of a procedure in the outpatient setting.

The Review Committee agreed the application meets criterion III.

Criterion IV: The relationship of the proposal to the existing health care delivery system.

With an ever-increasing shift to outpatient surgical options as well as the ability to perform additional outpatient procedures, FSSC believes the expansion will meet the needs of their patients. FSSC states that adding these programs will decrease the overall cost of local patient care while increasing the access and quality of medical services in the community. The Review Committee discussed the continued shift in the health care delivery system to treat patients in the least restrictive environment. This results in the reduction of costs and also creates a positive experience to the patient. The Review Committee stated FSSC's expansion will decrease the overall cost of patient care.

The Review Committee agreed the application meets criterion IV.

Criterion V: The immediate and long-term viability of the proposal in terms of the applicant's access to financial, management and other necessary resources.

There was a discussion surrounding FSSC's growth over the past years within the existing facility and the addition of highly trained physicians joining their staff. FSSC has added a Central Patient Monitoring System which monitors all patient bays including the operating rooms. FSSC added Ultrasound to assist the Anesthesiologists with their pre-surgical blocks. FSSC continues to explore options to provide cost effective/efficient care, increase patient/staff safety and patient/staff satisfaction. FSSC is licensed as a 23 hour surgery center certified by Medicare and Medicaid. The Review Committee agreed FSSC has the appropriate financial and administrative resources to assure long term viability.

The Review Committee agreed the application meets criterion V.

Criterion VI: The anticipated effect of the proposal on the costs of and charges for health care.

The Review discussed the application's effect on annual operating expenses and revenues. It was stated, FSSC's goal is to increase their revenue and reduce overhead costs while treating a large number of patients. FSSC has been providing same day partial knee replacement, spine and expanded fracture surgery. The physicians actively explore additional procedures that could be performed in an outpatient setting. Their goal is to provide the community with access to expanded surgical procedures that included overnight recovery options outside of traditional

hospital inpatient facilities. FSSC, in conjunction with Physical Therapy providers, Insurance Carriers and HealthSouth Rehabilitation Hospital, is finalizing their Outpatient Total Joint Replacement Program. It was noted, the program will include bundled care, a cost savings measure for everyone involved, most importantly the patient.

The Review Committee agreed the application meets criterion VI.

Criterion VII: The anticipated effect of the proposal on the quality of health care.

The Review Committee discussed the proposal's effect on the quality of health care. It was noted FSSC has a patient satisfaction rate of 96%. The application noted, the expansion of certain surgical cases to the outpatient setting will positively impact health care in several ways. Decreasing costs, increasing scheduling access, additional choices of providers and facilities, cooperation, coordination between providers, bundled payments, quality indicators, etc. will increase the quality of health care and the overall patient experience.

The Review Committee agreed the application meets criterion VII.

Action

The Review Committee voted to recommend FSSC's application to expand their existing surgery center be approved with the following condition:

FSSC continue to provide charitable care.

Adjourn

The meeting adjourned at 10:40 a.m.

Guests Attending

Raymond Krett	First State Surgery Center
David Blaeuer	First State Surgery Center